

# INSIGHTS REPORT

## Disrupting the EFL Profitability Quagmire: PE's Innovative Path to Digital Revenue Growth



## The Untapped Digital Goldmine in EFL Football Clubs

The English Football League (EFL), despite its deeply passionate fanbase and significant cultural resonance, confronts formidable financial challenges. A pervasive issue is the unsustainable wage-to-revenue ratio, which often sees clubs spending more on player salaries than they generate in income, coupled with stagnating traditional revenue streams. Private Equity (PE) firms have a distinctive opportunity to unlock substantial, long-term value by spearheading a strategic digital transformation within these clubs. This transformation hinges on the astute leveraging of data, advanced Artificial Intelligence (AI) capabilities, and the establishment of robust cybersecurity defenses.

For PE firms, the traditional due diligence approach, which historically concentrated on financial metrics, is no longer sufficient for assessing sports properties. A comprehensive evaluation of a target club's capabilities and vulnerabilities across data, AI, and cybersecurity is now a critical, non-negotiable component of any sports acquisition. These technological pillars are directly linked to the generation of future digital revenues and the protection of existing asset value. The current digital immaturity within many EFL clubs represents a significant opportunity. This accumulated "digital debt," stemming from historical reliance on traditional models, means that even foundational digital enhancements can yield disproportionately high returns compared to more digitally mature industries. This implies that initial investments in digital capabilities are poised for a substantial return on investment due to the low baseline from which many EFL clubs operate.

The initial 100 days following an acquisition are pivotal, establishing the crucial foundation for achieving breakthrough returns over the subsequent two to three years<sup>1</sup>. This critical period demands the swift identification and securing of key digital and AI leadership talent, a fundamental redefinition of the club's operating model, and an aggressive pursuit of profitable fan monetization through innovative, immersive digital experiences. The core problem facing EFL clubs is often not solely excessive costs, but insufficient revenue generation. Therefore, the PE strategy for EFL clubs must prioritize aggressive, digitally-driven revenue expansion over mere cost-cutting to achieve financial sustainability and unlock significant value. By concentrating on profitable revenue growth at scale, demanding rigorous accountability, fostering a meritocratic environment, and applying structured value creation methodologies, PE firms can transform EFL clubs into financially resilient, digitally-forward entities, thereby significantly alleviating the wage-to-revenue burden and securing superior investment returns.

## The Private Equity Playbook: Evolving Beyond Traditional Sports Investment

Private equity firms are increasingly expanding their investment footprint across elite sports properties, including football clubs. This growing interest is driven by rising franchise valuations and the diversification of revenue streams within the sports sector.<sup>2</sup> The consistent revenues, broad popularity among advertisers, and deeply loyal fan bases inherent to global sports make them an attractive asset class with considerable upside potential. Historically, sports organizations maintained restrictive ownership structures, but recent policy shifts have opened the door for substantial PE capital infusion.<sup>3</sup>

Beyond merely injecting capital, PE firms introduce a level of discipline and innovation often absent in

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<sup>1</sup> [Maximizing Value Creation: Crafting a Winning 100-Day Plan in Private Equity - Maestro](#)

<sup>2</sup> [Private Equity Playbook: Investing in Sports' Future | Nixon Peabody LLP](#)

<sup>3</sup> [\(PDF\) The Rising Role of Private Equity in Professional Sports. A Review](#)

traditional ownership structures. This strategic involvement aims to transform clubs into commercially viable, globally competitive entities, leading to enhanced fan engagement and, indirectly, improved on-field performance.<sup>4</sup>

## The Paradigm Shift in Due Diligence

The traditional approach to private equity due diligence in sports focused predominantly on tangible financial metrics. This included meticulous analysis of historical ticket sales, broadcast rights agreements, sponsorship valuations, merchandise sales, and projections for growth in these areas. Assessments would dissect concession revenues, hospitality package uptake, player salary structures, and stadium operational costs, all culminating in detailed future cash flow projections to determine return on investment.

However, the landscape has profoundly shifted. **The escalating threat from AI-augmented cybercriminals, coupled with an expanding digital attack surface and the aggressive pursuit of data-driven outcomes by leading sports properties, means that data, AI, and cybersecurity risks can no longer be overlooked.**

These elements form the very foundation of future digital revenues and substantial value creation. Neglecting these areas is akin to investing in a high-performance vehicle without inspecting its engine or braking system; its ability to perform and endure is critically compromised. Without a robust data strategy, an intelligent AI roadmap, and an effective cybersecurity posture, the anticipated digital monetization of elite sports properties is significantly jeopardized. Furthermore, the business becomes unacceptably exposed to sophisticated cybercriminal threats, carrying a high risk of devastating data breaches that could destroy brand valuation, erode fan trust, cause strategic suppliers to withdraw, and ultimately prevent investors from achieving a meaningful return on their private equity investment. Therefore, **a thorough data, AI, and cybersecurity assessment is not merely a desirable add-on but a critical, non-negotiable component of modern private equity due diligence for any sports acquisition.**

For PE firms, the investment thesis for EFL clubs is evolving beyond a simple "asset play." While sports franchises are inherently valuable assets, the current state of many EFL clubs necessitates a deeper, more hands-on approach. The prevailing lack of digital maturity and the critical need for advanced data, AI, and cybersecurity capabilities mean that the primary driver of returns will be operational transformation, not just market appreciation. This requires PE firms to apply their core expertise in driving operational improvements, actively shaping the club's digital future, and mitigating the risks of financial underperformance.

A significant observation is what can be termed the "SME Paradox." Premier League clubs, despite their global brand recognition and substantial revenues, frequently operate with organizational structures and resource limitations more akin to Small and Medium-sized Enterprises (SMEs)<sup>5</sup>. This situation is even more pronounced in the EFL. This organizational reality often translates to a lack of specialized talent and mature processes in critical digital domains. While this presents a red flag during due diligence, indicating potential operational risks and a drag on digital transformation, it also represents a substantial opportunity. The "SME Paradox" implies that even the application of relatively standard enterprise-level digital and cybersecurity practices, when implemented within a high-profile, globally recognized brand like an EFL club, can yield disproportionately large returns and competitive advantages. This makes the investment highly attractive if these foundational gaps are strategically addressed. To navigate this

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<sup>4</sup> [Growing Role of Private Entity in Football: Opportunities and Challenges - Senn Ferrero](#)

<sup>5</sup> [Premier League's Digital VAR: Flagging Revenue, Flawed Data, and Mounting Cyber Risk - TIAKI](#)

evolving landscape, PE firms must adapt their internal capabilities, perhaps by expanding their due diligence teams to include specialized data scientists, AI ethicists, and cybersecurity experts, or by partnering with external advisory firms with deep expertise in these domains. A superficial checklist approach will no longer suffice; a deep, analytical dive into these critical domains is required to truly understand a target's current valuation, the extent of the transformation needed, and the critical risks that could derail the entire investment.

## EFL Clubs: Navigating the Financial Headwinds

### The Unsustainable Wage-to-Revenue Ratio

EFL Championship clubs face a profound financial challenge characterized by an unsustainable wage-to-revenue ratio. Their aggregate wage costs have consistently outstripped revenue, reaching an "astonishing 108 percent" in 2021-22.<sup>6</sup> Although this ratio saw a slight improvement to 93% in 2023-24, it still signifies a deeply unhealthy financial reality. This persistent imbalance highlights a systemic issue where traditional revenue streams are simply insufficient to cover escalating costs, particularly player wages. For two consecutive seasons, all Championship clubs have reported operating losses, underscoring the severity of this financial predicament.<sup>7</sup>

This precarious financial situation is exacerbated by the "cliff edge" disparity in revenue between the Premier League and the Championship, a gap further widened by parachute payments. This creates a powerful, almost desperate, incentive for Championship clubs to overspend on wages in a relentless pursuit of promotion. For instance, Nottingham Forest, in their promotion year (2021-22), spent nearly 200% more on wages than they earned in revenue. This "promotion premium" is a fundamental driver of financial recklessness, encouraging clubs to incur significant operating losses in the hope of securing the immense financial uplift that comes with reaching the top flight (estimated at least £170 million over three seasons for a promoted club). For private equity, this means that while on-field success remains important, the value creation strategy must strategically decouple the club's financial health from its immediate league status, instead focusing on sustainable digital revenue growth that can make the club profitable regardless of promotion.

### Stagnating Traditional Revenues and the Imperative for Growth

Traditional revenue streams for EFL clubs, including matchday income, broadcast rights, and commercial sponsorships, are often insufficient to offset the high wage burden. While Championship clubs did experience aggregate revenue growth in 2023-24 (up 28% to £958 million, partly driven by changes in club mix and increased attendances), wage costs also rose significantly during the same period. This dynamic underscores that relying solely on traditional revenue growth will not resolve the fundamental financial imbalance. The strategic imperative for EFL clubs is therefore to enable profitable revenue growth at scale, a goal that cannot be achieved through conventional means alone.

Adding to this pressure, new regulatory changes are coming into effect. The EFL's amendments to its Salary Cost Management Protocol (SCMP) rules, effective from the 2025/26 season, will restrict owners' ability to fund player-related expenditure through equity injections. This regulatory shift is a critical external force, compelling clubs to seek more sustainable, organic revenue growth. This makes digital

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<sup>6</sup> [deloitte-annual-review-of-football-finance-2025.pdf](#)

<sup>7</sup> [Annual Review of Football Finance: Football League Clubs | Deloitte UK](#)

transformation and innovative fan monetization strategies not just an opportunity, but an existential necessity for achieving financial stability. This regulation effectively mandates the adoption of a more disciplined, private equity-style approach to value creation, forcing clubs to find new, profitable ways to grow revenue rather than simply relying on owner investment to cover losses.

Private equity firms are uniquely positioned to address this unhealthy financial reality. By injecting strategic capital and demanding greater accountability and a meritocratic approach, PE can help eliminate any elements of nepotism or "passengers" within club operations. This disciplined approach is fundamental to transforming clubs into commercially viable entities, capable of sustainable growth.

## The First 100 Days: Laying the Foundation for Breakthrough Returns

The period immediately following a private equity acquisition, often referred to as the "First 100 Days," is profoundly critical for establishing long-term value creation. This initial phase sets the overarching tone for a successful partnership and serves as a catalyst for accelerating value creation activities. It functions as a strategic blueprint, extending far beyond a mere checklist of administrative tasks.<sup>2</sup> Key objectives during this time include rapid diagnosis of the current state, implementing immediate improvements, ensuring alignment with the overarching strategic direction, establishing clear reporting expectations, maintaining operational continuity, and proactively managing potential risks. Ideally, the 100-day plan should be formulated during the due diligence phase, allowing for a clear roadmap from day one and minimizing delays in execution.<sup>8</sup>

## Talent as a Catalyst for Pivotal Change

A paramount focus during the "First 100 Days" must be the identification and securing of unique talent capable of driving pivotal change within this 'post-digital,' data-driven, and AI-augmented economy. This talent acquisition is essential for accelerating value creation and mitigating investment risks.

Critical C-suite roles that will likely need to be sourced externally from the private sector include:

- **Chief Data & AI Officer (CDAIO):** This role is indispensable for defining and implementing a robust data strategy, as well as for leveraging AI to optimize performance, enhance fan engagement, and drive revenue growth.
- **Chief Security Officer (CISO):** The CISO is crucial for establishing an effective cybersecurity posture, safeguarding sensitive data, and building resilience against increasingly sophisticated AI-augmented cyber threats.
- **Chief Revenue Officer (CRO):** This executive focuses explicitly on identifying and scaling new, profitable revenue streams, with a particular emphasis on digital monetization opportunities.
- **Chief Digital Officer (CDO):** The CDO is responsible for driving the overall digital transformation, enhancing fan experiences across all platforms, and overseeing the development of new digital products.

The necessity for external sourcing of these roles stems from the inherent "SME Paradox" observed in many football clubs. Existing club structures often lack this specialized expertise and mature digital capabilities.<sup>9</sup> Bringing in external hires provides fresh perspectives, introduces industry best practices

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<sup>8</sup> [100-Day Post-M&A Plan | KAIZEN™ Article](#)

<sup>9</sup> [Premier League's Digital VAR: Flagging Revenue, Flawed Data, and Mounting Cyber Risk - TIAKI](#)

from more digitally advanced sectors, and carries a clear mandate for rapid change, effectively bypassing internal inertia and traditional biases. This influx of external, digitally-native C-suite talent acts as a "talent multiplier." These individuals, unburdened by legacy thinking or internal politics, can rapidly implement proven strategies from other industries, accelerate strategic shifts, and attract further specialized talent, thereby creating a virtuous cycle of digital maturity and value creation that would be challenging to achieve through internal promotions or traditional hires.

## Cultivating a Meritocracy and Accountability

To foster a high-performance culture essential for digital transformation, PE firms must demand greater accountability and a meritocratic approach, ensuring there is zero room for nepotism or "passengers" within the organization. This fundamental shift requires clear articulation of roles, responsibilities, and the establishment of specific Key Performance Indicators (KPIs) to track progress, identify deviations, and ensure team commitment.

The cultural integration aspect is a critical, yet often underestimated, factor in the success of mergers and acquisitions, with a significant percentage of failures linked directly to culture clashes. The demand for meritocracy and the elimination of "passengers" directly challenges traditional club cultures that may resist change. This potential "cultural friction" arising from new PE ownership and the introduction of meritocratic principles can be a major impediment to progress. Therefore, a proactive and meticulously managed cultural integration strategy, initiated within the first 100 days, is as crucial as any financial or operational changes. This involves transparent communication, establishing open feedback channels, and defining new, shared values to mitigate resistance and ensure the new digital strategy can take root effectively. Furthermore, building trust and alignment among all team members from the outset is paramount, requiring operating partners to take proactive steps to foster open communication and ensure everyone understands the investment thesis and embraces the shared vision for the club's future.

## Architecting the AI EFL Club of 2026: A New Operating Model

### Strategic Vision: Defining Future-Proof Strategies

Following the initial 100-day foundational period, the strategic focus shifts to cultivating an environment conducive to defining and executing robust Digital, Data, AI, and Cybersecurity Strategies. This necessitates a fundamental pivot towards advanced data, AI, and cybersecurity practices to break free from an over-reliance on shrinking traditional revenue sources and to effectively engage a digitally-native generation of fans.<sup>9</sup> The blueprint for success can be drawn from the private sector, where industries such as retail, travel, and banking have successfully leveraged hyper-personalized experiences, powered by data and AI, to convert followers into consistent, high-value digital revenue streams.<sup>9</sup>

### Operating Model Transformation: From Analog to AI-Augmented

'The AI EFL Club of 2026' operating model redefines how a football club leverages technology to achieve strategic objectives and deliver value in a digitally-driven economy. This model moves beyond traditional structures to integrate AI and data at its core, ensuring agility, customer-centricity, and robust security.

Here are the core components of "The AI EFL Club of 2026" operating model:

1. **Fan-Centricity:**
  - **Shift:** From a broad, generic fan approach to hyper-personalized fan experiences across all touchpoints.
  - **Focus:** Proactive content delivery, tailored offers, and seamless omnichannel engagement (stadium, mobile app, social media, web).
  - **Implication:** Every interaction is designed to deepen fan loyalty and drive direct monetization, mirroring the customer-centricity of leading digital retailers.
2. **Unified Data & Analytics Foundation:**
  - **Shift:** From fragmented data silos to a single, comprehensive Customer Data Platform (CDP).
  - **Focus:** Real-time fan insights, advanced analytics for player performance, commercial operations, and fan behavior.
  - **Implication:** Data becomes the central nervous system, enabling a 360-degree view of each fan, crucial for hyper-personalization and targeted monetization.
3. **AI-Powered Club Operations & Engagement:**
  - **Shift:** From manual, reactive processes to intelligent automation and predictive capabilities.
  - **Focus:** AI automates routine club tasks (e.g., ticketing support, content scheduling), optimizes processes (e.g., dynamic pricing, player scouting, injury prediction), and powers intelligent fan engagement platforms.
  - **Implication:** AI augments human capabilities, allowing staff to focus on higher-value, strategic activities, and delivering a superior, more efficient fan experience.
4. **Talent & Culture:**
  - **Shift:** From traditional football club staffing to an AI-fluent workforce with continuous learning.
  - **Focus:** Upskilling existing staff, recruiting specialized digital, data, and AI talent (CDAO, CDO, CRO, CISO), and fostering a culture of human-AI collaboration across all departments (coaching, commercial, marketing).
  - **Implication:** Ensures the club has the internal capabilities to execute its digital strategy, drive innovation, and adapt to technological advancements.
5. **Ecosystem & Partnerships:**
  - **Shift:** From isolated operations to an open, collaborative ecosystem.
  - **Focus:** Leveraging open APIs for seamless integration with partners (sponsors, broadcasters, gaming platforms), collaborating with sports tech startups, and utilizing external data (e.g., social media trends, broader sports analytics).
  - **Implication:** Expands the club's reach and capabilities, creating new revenue opportunities through strategic alliances and data exchange.
6. **Trust & Cybersecurity:**
  - **Shift:** From reactive IT security to proactive "security by design" as a strategic imperative.
  - **Focus:** Implementing robust cybersecurity measures (e.g., Secure Access Service Edge (SASE), Information Security Management Systems (ISMS)), establishing ethical AI deployment guidelines (e.g., bias mitigation), and ensuring data privacy by design for all fan data.
  - **Implication:** Safeguards sensitive fan information, protects brand reputation, ensures operational resilience, and builds the fan trust necessary for digital monetization.
7. **Agile & Scalable Digital Infrastructure:**
  - **Shift:** From monolithic, on-premise systems to cloud-native, flexible architecture.
  - **Focus:** Utilizing cloud platforms for digital services, adopting microservices architecture for flexible app/web development, and ensuring scalable infrastructure to support global fan reach and rapid growth.

- **Implication:** Provides the technological backbone for rapid innovation, efficient deployment of new digital products, and seamless scaling to meet global demand.

This integrated operating model ensures that EFL clubs can transition from being primarily matchday-centric entities to dynamic, digitally-driven enterprises. The implementation of a comprehensive operating model that integrates these elements (CDP, AI, cybersecurity) creates a powerful "digital flywheel" for sustainable revenue growth. Better data fuels more effective AI, which in turn enables hyper-personalized fan experiences. These enhanced experiences drive higher engagement and conversion rates (e.g., aiming for a 1%+ social media conversion rate), generating more valuable first-party data that further refines AI models. This creates a self-reinforcing cycle of profitable revenue growth that is less reliant on traditional, often stagnating, income streams and player trading, thereby sustainably addressing the critical wage-to-revenue problem.

**Furthermore, cybersecurity, often viewed solely as a cost center, becomes a critical "revenue enabler."** The analysis consistently highlights the severe cybersecurity risks and the alarming lack of robust resilience in many clubs. However, a strong cybersecurity posture, including the implementation of SASE and ISMS frameworks, is not merely about risk mitigation. Fans will only willingly share valuable first-party data and engage in digital transactions if they implicitly trust the club to protect their personal information. A major data breach can catastrophically erode fan trust, destroy brand valuation, and directly impact digital revenue potential. Therefore, strategic investment in cybersecurity is a direct investment in future revenue streams and brand equity, transforming it into a strategic priority for PE firms.

**Table 1: Key Digital, Data, AI, and Cybersecurity KPIs for Value Creation in EFL Clubs**

This table provides quantifiable metrics for PE firms to monitor the progress and success of the digital transformation. It shifts the focus from purely financial KPIs to a holistic view that includes the underlying technological and data capabilities that drive future financial performance, ensuring accountability and enabling data-driven decision-making.

Category	KPI Measurement Assessment	Significance for EFL Clubs & PE
<b>Data</b>	<b>Data Governance Maturity Score (1-5 scale):</b> Existence, enforcement, and maturity of policies, ownership, stewardship, and privacy frameworks.	Indicates foundational strength for data-driven growth and regulatory compliance. Low scores signal significant risk and transformation effort.
	<b>Percentage of Complete/Accurate Fan Records:</b> Across key datasets (e.g., fan profiles, ticketing, merchandise).	Directly impacts personalization effectiveness and reliability of fan segmentation for monetization. Low accuracy hinders digital revenue.
	<b>Number of Siloed Data Sources:</b> Versus consolidation efforts to a unified Customer Data Platform (CDP).	High numbers indicate fragmented fan views, hindering 360-degree personalization and efficient data activation. Consolidation unlocks value.
	<b>Data Monetization Revenue:</b> Revenue directly attributed to data-driven initiatives	Quantifies the financial impact of data strategy; tracks progress in converting data into new income

	(e.g., personalized advertising, data licensing, fan segmentation for sponsors).	streams.
	<b>Percentage of Fans with Unified CDP Profiles:</b> Number of fans for whom a single, comprehensive profile exists across all touchpoints.	Measures success in creating a holistic fan view, essential for hyper-personalization and targeted engagement.
	<b>First-Party Data Capture Rate:</b> From digital touchpoints (e.g., social media conversions to owned platforms, app sign-ups).	Crucial for reducing reliance on third-party data and building direct, valuable relationships with fans. Low rates indicate missed opportunities.
	<b>Data Team Size &amp; Skill Gaps:</b> Availability, skill sets, and retention of data scientists, engineers, and analysts.	Assesses the human capital required to execute data strategy and build AI capabilities. Gaps directly impede digital transformation.
<b>AI</b>	<b>AI Strategy &amp; Roadmap Presence:</b> Existence of a clear, documented AI strategy aligned with business objectives and future growth plans.	Demonstrates strategic intent and provides direction for AI investments. Absence indicates lack of foresight.
	<b>Number of Active AI Use Cases:</b> Across commercial, fan engagement, and operational functions (e.g., personalized content, ticketing optimization, predictive maintenance).	Measures the breadth of AI adoption and its integration into core business processes. Higher numbers indicate greater innovation.
	<b>Attributable Revenue Increase from AI-Driven Personalization:</b> Quantifiable uplift in revenue directly linked to AI applications.	Directly measures the ROI of AI investments in fan monetization and commercial strategies.
	<b>AI Team Size &amp; Skill Mix:</b> Expertise of in-house AI team (data scientists, ML engineers) and adequacy of infrastructure.	Assesses the capacity to develop, deploy, and manage AI solutions. Skill gaps can be a major bottleneck.
	<b>Existence of Ethical AI Framework:</b> Policies and practices for identifying, measuring, and mitigating bias in AI models.	Addresses reputational and regulatory risks; ensures fair and transparent AI use, building fan trust.
<b>Cybersecurity</b>	<b>CISO Reporting Structure:</b> To CEO/Board vs. lower-level IT management.	Indicates the strategic importance given to cybersecurity at the highest levels of the organization. Direct board oversight is critical.
	<b>Mean Time to Detect (MTTD) Incidents:</b> Average time to identify a security incident.	Shorter times indicate more effective threat detection capabilities, reducing potential damage from breaches.

	<b>Mean Time to Respond (MTTR) Incidents:</b> Average time to contain and resolve a security incident.	Measures incident response efficiency; critical for minimizing business disruption and data loss.
	<b>Percentage of Sensitive Data Encrypted:</b> At rest and in transit (fan PII, financial details, player records).	Direct measure of data protection; reduces impact of breaches.
	<b>MFA Adoption Rate:</b> Across critical systems for all users (employees, partners, fans).	Strong indicator of access control maturity; significantly reduces risk of account takeovers.
	<b>SASE Strategy Implementation Status:</b> Maturity of Secure Access Service Edge (SASE) strategy.	Assesses resilience against advanced cyberattacks and ability to secure distributed operations. Low maturity is a systemic vulnerability.
	<b>Employee Security Awareness Training Completion Rate &amp; Phishing Click-Through Rate:</b>	Measures human firewall effectiveness; low completion or high click-through indicates significant human risk.
	<b>Third-Party Risk Management Score:</b> Assessment of cybersecurity posture of vendors/partners with access to club data/systems.	Addresses supply chain vulnerabilities; critical as clubs rely on many external providers (ticketing, broadcasting).
	<b>Compliance with Relevant Privacy Regulations (e.g., GDPR, CCPA):</b> Number of non-conformities, fines incurred.	Assesses legal and reputational risk; non-compliance can lead to hefty fines and loss of fan trust.

## Profitable Fan Monetization: Unlocking the Digital Fandom Value

EFL clubs, much like their Premier League counterparts, possess an immense, globally distributed social media following. For instance, Manchester United alone boasts over 224 million social media followers.<sup>8</sup> However, this vast digital footprint remains largely an "untapped resource," primarily utilized for broadcasting news and updates rather than as a sophisticated engine for generating direct, recurring revenue.<sup>10</sup>

A significant challenge lies in converting these passive social media followers into actively engaged, revenue-generating fans. This struggle is largely attributable to a deficiency in capturing and leveraging high-quality first-party data at scale. For top Premier League clubs, the estimated conversion rate from social media followers to actively transacting fans (e.g., season ticket holders, merchandise buyers, paid content subscribers) is a remarkably low single-digit percentage, often falling below 0.5% to 2%.

<sup>10</sup> [The Digital Gap: Fans Expect AI-Powered Retailing. Not an Analog Football Experience - TIAKI](#)

**This indicates a profound "digital gap," where modern fans anticipate AI-powered retailing and hyper-personalized experiences, but are frequently met with an "analog football experience" characterized by fragmented data and limited personalization.** The Customer Lifetime Value (CLV) for the majority of these social media followers is consequently near zero, as they do not directly spend money with the club.

In stark contrast, American leagues such as the NFL demonstrate significantly greater efficiency in generating value per fan (e.g., €1.95 per fan for the NFL compared to €0.57 per fan for the Premier League), highlighting the substantial untapped potential within European football's monetization strategies. **This low conversion rate points to a broken or non-existent "engagement-to-revenue pipeline."** Clubs are adept at generating awareness and passive consumption, but they lack the sophisticated digital infrastructure—such as Customer Data Platforms (CDPs), AI-driven personalization, and secure direct-to-consumer (DTC) offerings—necessary to transform that engagement into tangible financial value.

**For private equity, the opportunity lies not merely in creating new digital experiences, but in constructing this pipeline itself, building the systems and strategies that convert a "like" into a recurring digital customer, representing a foundational investment for future growth.**

## Redefining Revenue Mix through Immersive Fan Engagement

By strategically focusing on a conservative 1% conversion of their social media followers into digital customers, EFL clubs can fundamentally redefine their revenue mix and achieve a significantly healthier wage-to-revenue ratio. This necessitates a fundamental shift towards direct-to-consumer (DTC) monetization strategies. The effective deployment of AI-powered, data-driven immersive fan experiences is key to enabling profitable fan monetization. These experiences extend the thrill of fandom beyond the physical venue, creating personalized, interactive, and shareable moments that deepen fan engagement.

The monetization of these immersive experiences can occur through various pathways, including premium content subscriptions, targeted advertising based on fan data, sponsored AR filters, and the sale of digital merchandise like NFTs. Furthermore, immersive experiences serve as a powerful "retention lever" beyond direct revenue generation. In an increasingly competitive sports and entertainment landscape, where all sporting codes vie for the attention and loyalty of Gen Z and Alpha fans<sup>11</sup>, hyper-personalized and engaging digital experiences foster deeper loyalty and a stronger sense of belonging. This heightened loyalty translates into a higher Customer Lifetime Value (CLV), influencing season ticket renewals, merchandise sales, and overall fan advocacy, all of which are critical for long-term club stability and ultimately, the PE firm's exit value. It is not solely about generating new revenue streams, but also about protecting and growing the value of the existing fan base.

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<sup>11</sup> [Scaling Immersive Fan Experience Revenues in the Premier League - TIAKI](#)

**Table 2: Illustrative Digital Immersive Fan Engagement Use Cases & Revenue Impact for EFL Clubs**

This table details a selection of digital immersive fan engagement use cases, illustrating their potential for profitable fan monetization and how they can contribute to a redefined revenue mix for EFL clubs.

Use Case Category	Brief Description	Fan Benefit	Monetization Pathway	Expected Conversion Rate (Illustrative)	Revenue Impact (Illustrative)
<b>Augmented Reality (AR) Experiences</b>	AR-enabled mobile app overlays real-time match information, player statistics, and personalized commentary onto live stadium views.	Provides instant, context-aware information, enhancing understanding and engagement for both new and existing fans.	Premium content subscriptions, targeted advertising, sponsored AR filters, enhanced matchday experience packages.	0.5-1%	Increased digital engagement, new subscription revenue, higher sponsorship value, enhanced CLV.
	AR Stadium Tours: Fans use smartphones to explore stadium virtually, accessing historical info, player interviews, 3D models.	Immersive exploration, deeper connection to club history and facilities.	Premium access fees, virtual merchandise sales, sponsored virtual checkpoints.	0.5-1%	New digital product revenue, increased brand affinity.
	AR Merchandise Try-on: Fans virtually try on official club merchandise using smartphone cameras.	Enhanced shopping experience, improved purchase confidence.	Direct merchandise sales uplift, reduced returns.	0.5-1%	Increased e-commerce conversion, new revenue stream.
	AR Selfie with favourite player / AR Jersey Selfies: Fans take virtual selfies with players or in club jerseys at stadium booths or via app.	Personalized, shareable content, social validation.	Premium photo downloads, sponsored brand integration, data capture for re-engagement.	2-5% (proven high popularity in other sports)	High social media virality, new micro-transaction revenue, valuable first-party data capture.
<b>Virtual Reality (VR) Experiences</b>	VR Match Day Experiences: Fans experience match day from home, including atmosphere, crowd noise, and interaction with virtual fans.	Highly immersive fan experience for global or remote fans, overcoming geographical barriers.	Pay-per-view access, subscription tiers, virtual VIP packages, virtual merchandise.	0.5-1%	Global fan monetization, new recurring digital revenue, reduced reliance on physical attendance.
	VR Player Interviews: Fans engage in immersive VR	More intimate and engaging fan-player	Exclusive content subscriptions, premium access	0.5-1%	Increased fan loyalty, new digital

	interviews with favorite players.	interaction.	fees.		content revenue.
	VR Stadium Redevelopment Plans: Fans experience proposed stadium redevelopment in VR, providing feedback.	Direct fan involvement, builds anticipation and community buy-in.	Early access to premium seating sales, sponsorship for virtual tours.	0.5-1%	Future revenue stream pre-sales, enhanced fan satisfaction.
<b>AI-Powered &amp; Data-Driven Platforms</b>	AI-Powered Fan Engagement Platforms: Analyze fan data to provide personalized recommendations and engagement opportunities.	Hyper-personalized content, relevant offers, enhanced loyalty.	Targeted advertising, personalized merchandise recommendations, premium content upsells.	1% (target for broader monetization)	Increased CLV, optimized marketing spend, new digital product sales.
	AI-Powered Race Predictions & Insights (adaptable to football): AI analyzes data for predictions and insights.	Enhanced analytical depth, informs betting and fantasy league participation.	Premium data subscriptions, betting partnerships, fantasy league integration.	0.5-1%	New data licensing revenue, enhanced partnership value.
	Personalized Digital Silks & Avatars (adaptable to club kits): Fans create and customize digital kits/avatars.	Self-expression, personalized engagement, sense of belonging.	Digital asset sales (NFTs), in-app purchases, sponsored customization options.	0.5-1%	New digital collectibles revenue, increased engagement.
<b>Digital Collectibles &amp; Gamification</b>	Digital Collectibles & NFTs: Representing iconic players, moments, or club history.	Unique ownership, trading opportunities, sense of community.	Direct sales, secondary market royalties, fan token utility.	0.5-1%	Significant new revenue stream, enhanced fan engagement and community building.
	Geo-Location Based Immersive Scavenger Hunts: Fans interact with physical locations to unlock digital content.	Gamified exploration, increased venue engagement.	Sponsored challenges, premium content unlocks, data capture for location-based marketing.	0.5-1%	Enhanced matchday experience, new sponsorship opportunities.
	AR Fan Challenges: Interactive AR challenges based on player skills with leaderboards and rewards.	Interactive entertainment, competitive engagement.	Sponsored challenges, premium participation fees, in-app purchases.	0.5-1%	New gamified revenue streams, increased app usage.

	Live Interactive Social Walls: Large digital screens displaying real-time social media feeds, fan photos, polls, and quizzes.	Fosters community, encourages social media engagement.	Sponsored content integration, premium display slots.	0.5-1%	Increased brand visibility for sponsors, enhanced fan experience.
	AI-Generated Kits & Custom Badges: Fans design their own team badges and kits using generative AI.	Personalized expression, deeper connection to club identity.	Premium design features, digital merchandise sales, brand partnerships.	1-2%	New digital product revenue, increased fan engagement.
	AI-Powered Personal Assistant Manager (Fantasy Football): AI analyzes stats to provide personalized advice for fantasy league teams.	Enhanced game experience, competitive advantage in fantasy leagues.	Premium subscription for advanced AI features, targeted advertising.	0.5-1%	New subscription revenue, increased engagement with fantasy platforms.
	Real-Time Data Visualization & Analytics (in-app): AR-enabled mobile app overlays real-time match information, player statistics, and personalized commentary onto live stadium views.	Provides instant, context-aware information, enhancing understanding and engagement for both new and existing fans.	Premium content subscriptions, targeted advertising, sponsored AR filters, enhanced matchday experience packages.	0.5-1%	Increased digital engagement, new subscription revenue, higher sponsorship value, enhanced CLV.
	Personalized Race Day Itineraries (adaptable to matchday): AI-powered itineraries for fans attending matches, including travel, food, and activities.	Streamlined matchday experience, reduced friction.	Premium itinerary features, sponsored recommendations, data for targeted offers.	0.5-1%	Enhanced fan satisfaction, increased ancillary spend.
	Holographic Player/Trophy Presentations: Holographic displays of players or trophies at fan zones or digital events.	Immersive visual spectacle, unique photo opportunities.	Sponsored holographic displays, premium viewing access.	0.5-1%	New sponsorship opportunities, enhanced fan experience.
	Interactive Paddock & Stable Tours (adaptable to training ground/stadium): Virtual tours with interactive elements and behind-the-scenes access.	Deeper insight into club operations, exclusive content.	Premium access fees, virtual merchandise sales.	0.5-1%	New digital product revenue, increased fan loyalty.

## The Value Creation Portfolio Approach: A Structured Path to Growth

To address the profound financial challenges and unlock the latent digital value within EFL clubs, a structured and accountable value creation path is essential. Jon Andrew and Rupert Morrison's "Strategic Value Creation: Design and Execute a Strategy for Breakthrough Returns"<sup>12</sup> provides a powerful, data-driven framework for senior business leaders to design and execute strategies centered on the customer segments most integral to business success. This framework is particularly relevant for PE firms aiming to transform EFL clubs within a two-year timeframe.

The book outlines the "**4Ds Framework**" for strategy execution, a practical methodology that can significantly benefit EFL clubs:

1. **Diagnose Today:** This initial phase demands confronting the "brutal truth" of the organization's current state, utilizing comprehensive data for diagnosis. For EFL clubs, this translates to a rigorous, data-driven assessment of their financial health, specifically the unsustainable wage-to-revenue ratio, their current digital maturity, the state of their data infrastructure, and the robustness of their cybersecurity posture. This involves identifying existing data silos, assessing the effectiveness of current fan engagement strategies, and pinpointing cybersecurity vulnerabilities.
2. **Design Tomorrow:** This stage involves defining the desired future state for the club, analyzing key value factors for fan segmentation, and determining what specific elements fans value most to ensure differentiation from competitors. This includes articulating a clear vision for the "AI EFL Club of 2026," outlining how digital, data, AI, and cybersecurity capabilities will underpin all aspects of the club's operations and fan engagement. The focus here is on identifying new revenue streams and enhancing fan experiences through digital innovation.
3. **Draw the Plan:** This phase focuses on creating an integrated, action-focused plan. This plan must include defined timelines, precise resource allocation, and clear objectives with measurable milestones, performance measures, and identified dependencies. This is the stage where the detailed 100-day plan for immediate actions and talent acquisition is seamlessly integrated into the broader 2-3 year strategic roadmap. The plan should prioritize high-impact initiatives that promise the greatest return on investment in digital transformation and fan monetization.
4. **Deliver with Data:** The final D emphasizes continuous tracking and measuring of performance against stated objectives and identified risks. This involves improving board reporting mechanisms and ensuring effective action management, all driven by data. This principle underpins the demand for accountability and data-driven decision-making across the club's operations.

Jon Andrew's extensive experience, including having written over fifty 100-day plans and establishing value enhancement teams for two private equity firms, underscores the practical applicability and effectiveness of this framework.

The "**Integrated Strategic-Operational-Financial**" Loop is a critical aspect of this approach. The 4Ds framework, with its emphasis on diagnosing, designing, planning, and delivering *with data*, addresses a common challenge for many EFL clubs: a disconnect between their severe financial struggles, their operational realities (the "SME paradox"), and their underdeveloped digital strategy. This framework provides the essential link, creating a continuous loop where data-driven diagnosis informs the design of a digitally transformed future. The concrete plan, including the crucial 100-day initiatives, ensures that operational improvements, such as profitable digital fan monetization, directly translate into tangible financial gains. These gains, in turn, can be strategically reinvested (e.g., in advanced player performance

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<sup>12</sup> [Strategic Value Creation: Design and Execute a Strategy for Breakthrough Returns - Rupert Morrison, Jon Andrew - Google Böcker](#)

analytics or stadium upgrades) to support the club's long-term value and on-field competitiveness.

This data-driven approach also facilitates an "**Accountability Cascade.**" The demand for greater accountability and meritocracy, with "zero room for nepotism or passengers," is directly supported by the "Deliver with Data" principle. By establishing clear, quantifiable Key Performance Indicators (KPIs) for digital transformation, fan monetization, and operational efficiency, and regularly reporting these to the board, PE firms can objectively assess performance. This transparency inherently fosters a meritocratic environment by making individual and team performance measurable and visible, making it challenging for underperformance practices to persist without being identified and addressed.

## Conclusion: Investing in the Future of Football

The undeniable allure of elite sports properties for private equity investment is matched by the increasing complexity of the opportunities they present. It is clear that data, AI, and cybersecurity are no longer auxiliary considerations; they form the fundamental bedrock upon which successful, high-ROI sports investments will be built in the modern era.

The transformative opportunity for private equity firms lies in integrating comprehensive assessments of these critical technological areas into their due diligence and, crucially, their post-acquisition strategies. The "First 100 Days" following an acquisition lays the critical foundation for this transformation, enabling profitable revenue growth at scale, fundamentally redefining the club's revenue mix, and fostering a culture of rigorous accountability and meritocracy.

A digitally mature, data-driven, and cyber-resilient EFL club stands to gain significant long-term benefits:

- **Sustainable financial health:** Moving decisively away from the unsustainable wage-to-revenue ratio that plagues many clubs.
- **Enhanced fan engagement and loyalty:** Leading to a higher Customer Lifetime Value (CLV) as fans become more deeply connected and digitally active.
- **Diversified and scalable revenue streams:** Through innovative digital products and immersive fan experiences, reducing reliance on traditional, often stagnating, income sources.
- **Improved operational efficiency and strategic decision-making:** Driven by robust data analytics and AI applications across all club functions.
- **A strong competitive advantage:** Positioning the club favorably within an evolving and increasingly digital global sports landscape.

The pervasive threat of AI-augmented cybercrime, underscores the importance of a robust cybersecurity posture. This creates a "**digital resilience dividend.**" A club renowned for its secure and reliable digital platforms will naturally cultivate greater fan trust, attract more digital partners, and be better positioned to innovate without the constant fear of crippling cyberattacks. This resilience translates directly into sustained revenue growth, enhanced brand value, and ultimately, a higher exit multiple for the private equity firm, making the investment more attractive to future buyers who prioritize operational and digital robustness.

Furthermore, the significant financial pressures and the "SME Paradox" prevalent in the EFL mean that these clubs are in urgent need of new revenue streams and operational efficiencies. Unlike some larger, more established clubs that may be resistant to radical change, EFL clubs could be more amenable to embracing comprehensive digital transformation and AI adoption due to their pressing need for survival

and growth. **This unique context positions EFL clubs as a "digital innovation sandbox" for private equity firms. PE can implement and rigorously test cutting-edge digital and AI strategies in a high-need, high-impact environment.** The successful application of these strategies could then yield scalable playbooks applicable to other, larger sports investments or even other industries within the PE firm's broader portfolio, thereby generating broader strategic value beyond the individual club.

In conclusion, ignoring the digital imperative is not merely a missed opportunity for private equity firms; it is an invitation to significant financial and reputational disaster. Those PE firms that embrace this strategic transformation will not only achieve breakthrough returns but will also make a substantial contribution to the long-term sustainability, modernization, and global appeal of EFL football.

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Value Creation Planning | Board Pack Reporting | Portfolio Reporting

*Jon is the co-founder of Arahi, a boutique consulting advisory company in the private equity sector in 2021, having spent two decades in Private Equity Value Creation.*

*Jon started his career with PwC where he worked across the Audit, Training and Transaction Services functions.*

*He subsequently moved into Private Equity, where he spent more than 13 years in senior roles at Lloyds Development Capital (LDC) and Inflexion, establishing and leading the value creation functions at both firms. His responsibilities included managing LDC's investment in Virgin Racing Formula1 team as the COO.*

*Jon is a veteran of over 100 value creation programmes and has held a wide variety of roles including CFO, COO, CIO, Executive Chair, and Non-Executive Chair. He currently serves as Chair of a Bridges Fund Management business, Nexgen Services.*

*Jon is an authority in the Private Equity industry, he leads several flagship courses for the British Venture Capital Association, and is a regular speaker for PEP-Talks, a peer-to-peer network for investment-backed CEOs. Jon is a published author with Strategic Value Creation (2024) which he wrote together with Rupert Morrison.*

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*David's vision for TIAKI is to empower sports franchise CEOs, leadership teams, sports media broadcasters and investors in the global sports industry with strategic advisory frameworks to deliver secure, pioneering digital fan experiences and new ecosystem business models to achieve breakthrough returns.*

*David has over 20 years of strategy and technology enabled business transformation experience, providing consulting expertise in cloud native technologies, data strategy, digital business enablement and cybersecurity strategy. He is passionate about helping talented leadership teams succeed in securely growing their differentiated business models in the data-driven, digital sports economy.*

*Based in Stockholm, David previously worked for IBM Consulting, EY, Accenture Strategy and Orange Business. He studied Chemistry at Durham University and holds an MBA from Trinity College, Dublin Business School.*



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